2006-2007 PERFORMANCE PLAN – CHIEF INVESTMENT OFFICER

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
35%	Total Fund	Excess return in basis points relative to total fund performance benchmark. (SJ1C – CPERSTOT)	-40bp = 0 0bp = 1.0 +20bp = 1.5
10%	Global Equity	Total Public Equity excluding AIM compared to CalPERS Policy Total Equity Index Return. (GLOBLIC - CPERSGE)	-50bp = 0 -10bp = 1.0 +15bp = 1.5
10%	AIM	AIM Program Performance vs. Venture Economics Young Fund Median Return.	Median = 0 Median + 150 = 1 Median + 250 = 1.5
10%	Global Fixed Income	Total Global Fixed Income vs. 88% Lehman Domestic Index/12% WGBI ex US. (SJEK – CPERGFI)	0bp = 0 +40bp = 1.0 +60bp = 1.5
10%	Real Estate	Total Real Estate vs. NCREIF Property First Quarter Lag Index.	0 basis points = 0 +50 basis points = 1.0 +75 basis points = 1.5
75%	**Subtotal**	**Quantitative Measures**	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
25%	Leadership	Demonstrate leadership within CalPERS and in the external investment community. Dimensions include leadership: • Within Investment Group • Trustees • CalPERS • External Investment Community • Diversity • Succession Plan • Strategic Plan	Score (0 – 10) 0 = 0 5 = 1.0 10 = 1.5
25%	**Subtotal**	**Qualitative Measures**	
100%	**Total**	**Quantitative and Qualitative Measures**	

Supervisor's Approval: Date: